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Testimony of the Wisconsin Democracy Campaign on Senate Bill 182 and Senate Bill 160

Senate Committee on Campaign Finance Reform, Rural Issues and Information Technology

January 29, 2008

Thank you for holding this public hearing. The Wisconsin Democracy Campaign strongly supports Senate Bill 182, which would create a system of full public financing of all state races modeled after the highly successful systems already in place in Arizona and Maine.

Critics of this kind of reform are fond of saying it's wrong to force taxpayers to pay for election campaigns. This is an empty argument, a lame excuse for inaction. Taxpayers are already forced to pay for election campaigns, and if you tally up the cost of all the public policy favors that are granted to big campaign donors, we are paying a great deal more for election campaigns through the back door than we would if we paid for them directly through a system like the one that would be created under Senate Bill 182.

The issue before you is not whether taxpayers should pay for elections. We always will, one way or the other. We pay for every slice of budget pork, every tax break, every perk, every favor big donors receive. Taxpayers are paying through the nose for election campaigns the way they are financed today. And we have no choice in the matter. All of us pay for how special interests are rewarded for their campaign donations, whether or not we agree with these policies.

The issue before you is ownership. Senate Bill 182 would replace the special interest-owned elections we have today with voter-owned elections.

Along with creating a system of voter-owned elections, SB 182 also requires full disclosure of special interest-sponsored electioneering masquerading as "issue advocacy," thereby closing a gaping loophole in Wisconsin's campaign finance laws that has rendered our state's disclosure laws and campaign contribution limits effectively meaningless. In 2006, special interests spent an estimated $15 million on secret electioneering in the form of undisclosed "issue ads."

However, the approach to disclosure in SB 182 does not take into account the U.S. Supreme Court's ruling last June on a similar provision in the federal Bipartisan Campaign Reform Act of 2002, commonly known as the McCain-Feingold law. Full disclosure of special interest-sponsored election

advertising and restrictions on the source of funding used to pay for these ads are constitutionally permissible. But it needs to be done in the way it is handled in the recently introduced December 2007 Special Session Senate Bill 1, which takes into account the latest U.S. Supreme Court ruling.

The Democracy Campaign also strongly supports Senate Bill 160, which requires out-of-state political committees to play by the same disclosure rules as in-state committees. This measure was passed by the Legislature last session and signed into law by the governor as 2005 Wisconsin Act 176, but it was not incorporated into the state statutes under peculiar circumstances and now must be reenacted.

A year after this law was made it was unmade, wiped off the books by an administrative decision by the state Revisor of Statutes. We've been told by legislative attorneys that this happened because on the same day Act 176 became law, another bill – Assembly Bill 428 – was enacted as 2005 Wisconsin Act 177. That bill's purpose was to cleanse state law of the provisions of a campaign finance reform measure laced with a poison pill that was enacted in 2002 as part of a budget repair bill but was later struck down in court because the judge found the poison pill unconstitutional as expected.

The lawyers responsible for maintaining order in the state statutes decided that Act 177 trumped Act 176, even though Act 176 reflected the will of the Legislature expressed in 2006 and Act 177 merely cleaned up a mess created by the Legislature nearly four years earlier – a mess, by the way, that had nothing to do with making out-of-state donations more transparent.

We urge you reenact this disclosure legislation.